



Using Green Certificates to Market Wind and Build New Facilities

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The Product

- “New Wind Energy” Supply Arrangements
- Premium product tailored to customer demand sold in MWh blocks
- Benefits of New Wind Energy Product Approach
 - Customer Preferences
 - Environmental Benefit
 - Economic Development
 - Media Attention/Visual Appeal

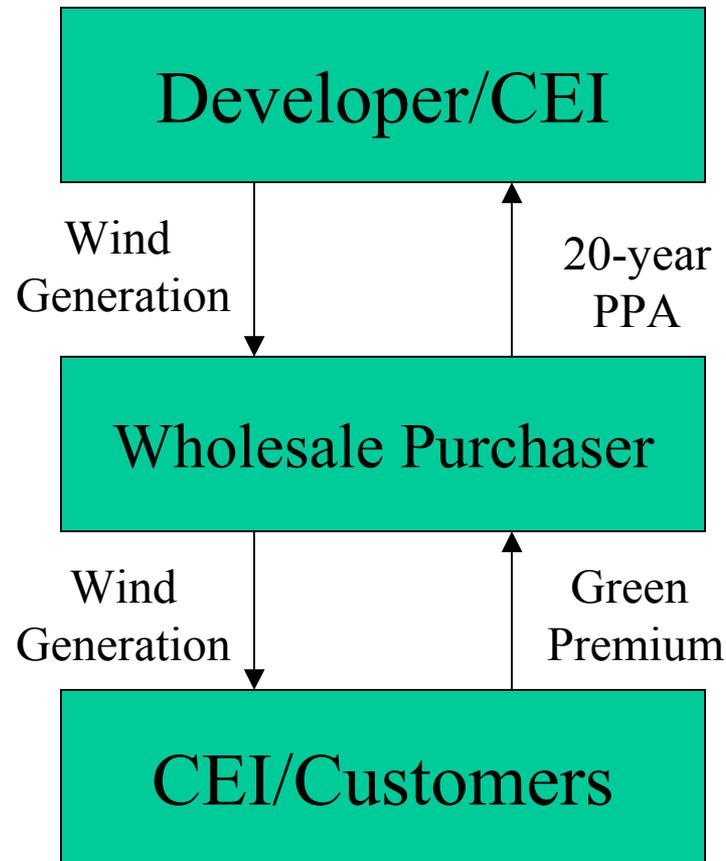
Economics of Wind in PJM

- Value of Wind Energy in PJM: +\$30-38/MWh
- Cost of Wind Energy in PJM: - \$40-50/MWh
- NET ECONOMIC IMPACT - \$ 2-20/MWh

- Green Marketing Premium +\$15-25/MWh

- REVISED ECONOMIC IMPACT +\$ 2-10/MWh

Structure of the Deal



The Customers



University of Pennsylvania
20,000 MWh/Year



Penn State - 17,600 MWh/Year



Commonwealth of PA
10,000 MWh/Year



CMU - 4,778 MWh/Year



DOE/GSA - 3,100 MWh/Year



Giant Eagle 2,941 MWh/Year



Philadelphia Suburban Corporation
1,000 MWh/Year



Cincinnati EPA - 800 MWh/Year

Why do Customers Pay More?

- Community Leadership
- Tangibility
- It's the Right Thing to Do
- Public Relations
- Educational Tool



EXELON-COMMUNITY ENERGY, INC. WIND FARMS: THE VISION REALIZED



The 15-MW Mill Run Wind Farm
On-Line October 2001



The 9-MW Somerset Wind Farm
On-Line October 2001



The 60-MW Pocono Wind Farm
On-Line November 2002



The 65-MW Backbone Wind Farm
On-Line September 2002

Role of Certificates

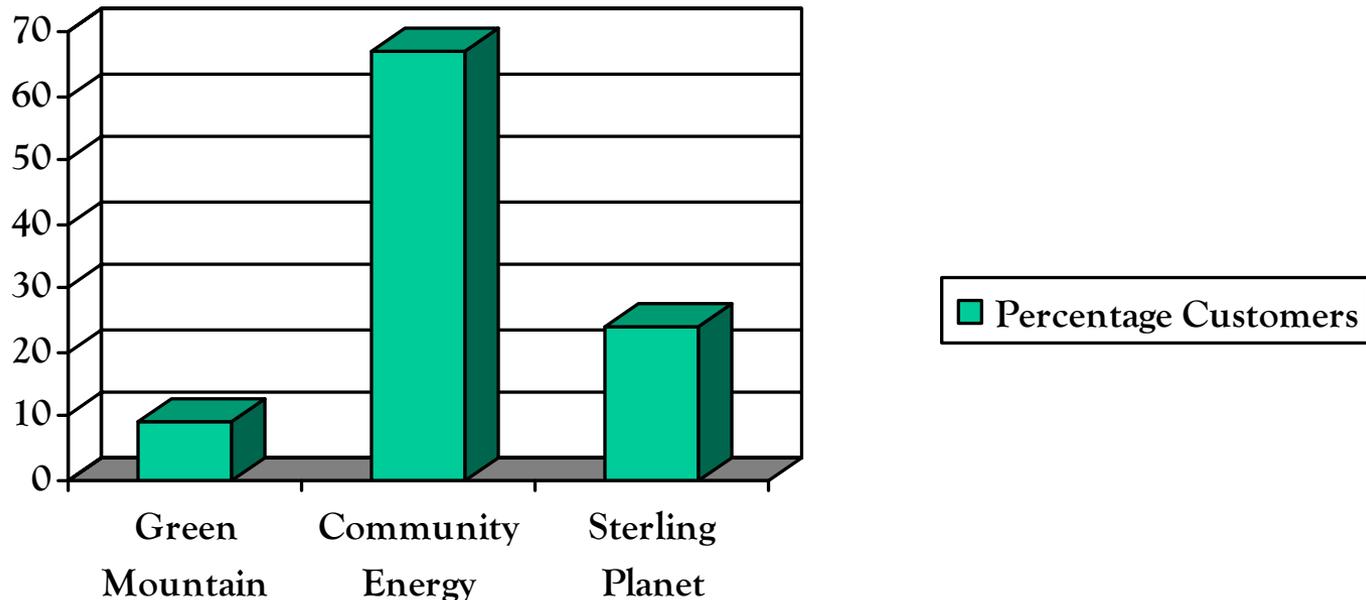
- Diverse Benefits of Wind
- Economic Value of Non-Electrical Attributes
- Certificates Defined
- The Product: Delivering New Wind Energy to the Local Wholesale Grid on Behalf of the Individual Customer
- The Product II: Don't Lead with Certificates!
- The Product III: All Retail Products Rely on Certificates

Role of Certificates



New York Residential Program

- Niagara Mohawk: Very Initial Results (900 total)
 - » CEI: 50/50 Wind/Hydro; 1.3 cents/kwh, 100% only
 - » Sterling Planet: 30/20/50 Wind/Hydro/Landfill; 1.5 ; (100, 75, 50)
 - » Green Mountain: 15/85 Wind/Hydro; 1.5 cents/kwh; 100% only



Lessons Learned: Utility Perspective

- Ability to Profitably Start Small With a New Resource
- Builds Regulatory and Public Support Quickly
- Customer Satisfaction
- Environmental Benefit
- Economic Development
- Public Relations/Branding Identity